



WARRIOR PAY

31 MAR 04
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N130C1

Discussion Points




- **Compensating Risk**
- **What is the requirement?**
- **What are the range of possibilities?**
- **What is the measure of effectiveness (MOE) with respect to “adequate compensation”?**
- **Evaluating the possibilities against the MOEs**
- **Conclusion**

Compensating Risk



- **There is a sense that the existing pay structure does not appropriately target the risk of those participating in a combat theater.**
- **Recommendation: Research the feasibility of replacing Family Separation Allowance (FSA) & Imminent Danger Pay (IDP) w/a pay similar to Hardship Duty Pay (HDP) on a graduated scale as well as targeting those duties/locations that are significantly more arduous than other areas.**
 - **Appropriately compensates warriors**
 - **Minimizes economic rent to those facing less arduous conditions**
 - **Eliminates redundant pays**
 - **Name change to better capture future scope of the compensation**

What is the requirement?

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- **Generically speaking, we want to adequately compensate members for duty associated with arduous conditions (danger, lengthy deployments, family separation, decreased quality of life, etc)**
 - **Several initiatives have been proposed and some implemented to address these issues in part**
 - **Mar '03 Congress temporarily increased Imminent Danger Pay (IDP) and Family Separation Allowance (FSA)**
 - **Jan '04 SECDEF implemented involuntary and voluntary incentives for folks extended in Iraq & Afghanistan**
 - **Jan '04 CJCS/OUUSD(P&R) reviewed lifting HDA (PERSTEMPO) suspension**
 - **Mar '04 OUUSD(P&R) considering Joint Incentive Pay (JIP) under Hardship Duty Pay (HDP) authority (additional \$200/mo).**

Range of Possibilities

| Factors the Pay Compensates | | | | | | |
|-----------------------------|--------------------|---------------|-----------------------------|--------------------|------------|----------------------------|
| <u>Pay</u> | <u>Arduousness</u> | <u>Danger</u> | <u>Excessive deployment</u> | <u>Family Sep.</u> | <u>QOL</u> | <u>Rate/mo</u> |
| <u>FSA</u> | | | | X | | \$250 (Note 2) |
| <u>IDP</u> | | X | | | | \$225 (Note 1) |
| <u>HDP</u> | X | X | X | X | X | \$50-150 (Note 3) |
| <u>HDA</u> | | | X | | | SUSPENDED |
| <u>AIP</u> | X | | | | X | VARIES |
| <u>SECDEF</u> | | | | | | |
| <u>INVOL:</u> | X | | X | | | \$1000 (Note 4) |
| <u>VOL:</u> | X | | X | | | VARIES (Note 5) |
| <u>JIP</u> | | | X | | | \$200 If approved (Note 6) |

Notes: (1) Temporarily increased to \$225 from \$150 - expires 31 Dec 04

(2) Temporarily increased to \$250 from \$100 - expires 31 Dec 04. Applies only to members w/dependents.

(3) Statutory max \$300- FY05 Omnibus item to increase to \$600. HDP can be paid under mission, location, and/or tempo.

(4) Applies only to 12 Army units extended beyond 12 mos. Expires 1 Jun 04

What are the measures of effectiveness?

■ What are the measures of effectiveness?

- Adequate
 - » Does it adequately compensate and lessen negative retention affects for that duty/assignment?
- Affordable
 - » Does it require add'l dollars/economic rent?
- Flexible
 - » Can it be easily/quickly adjusted as circumstances dictate?
- Equitable
 - » Are two members paid = for same situation?
- Simple
 - » Is it understandable to an E3 and is it pay system friendly?

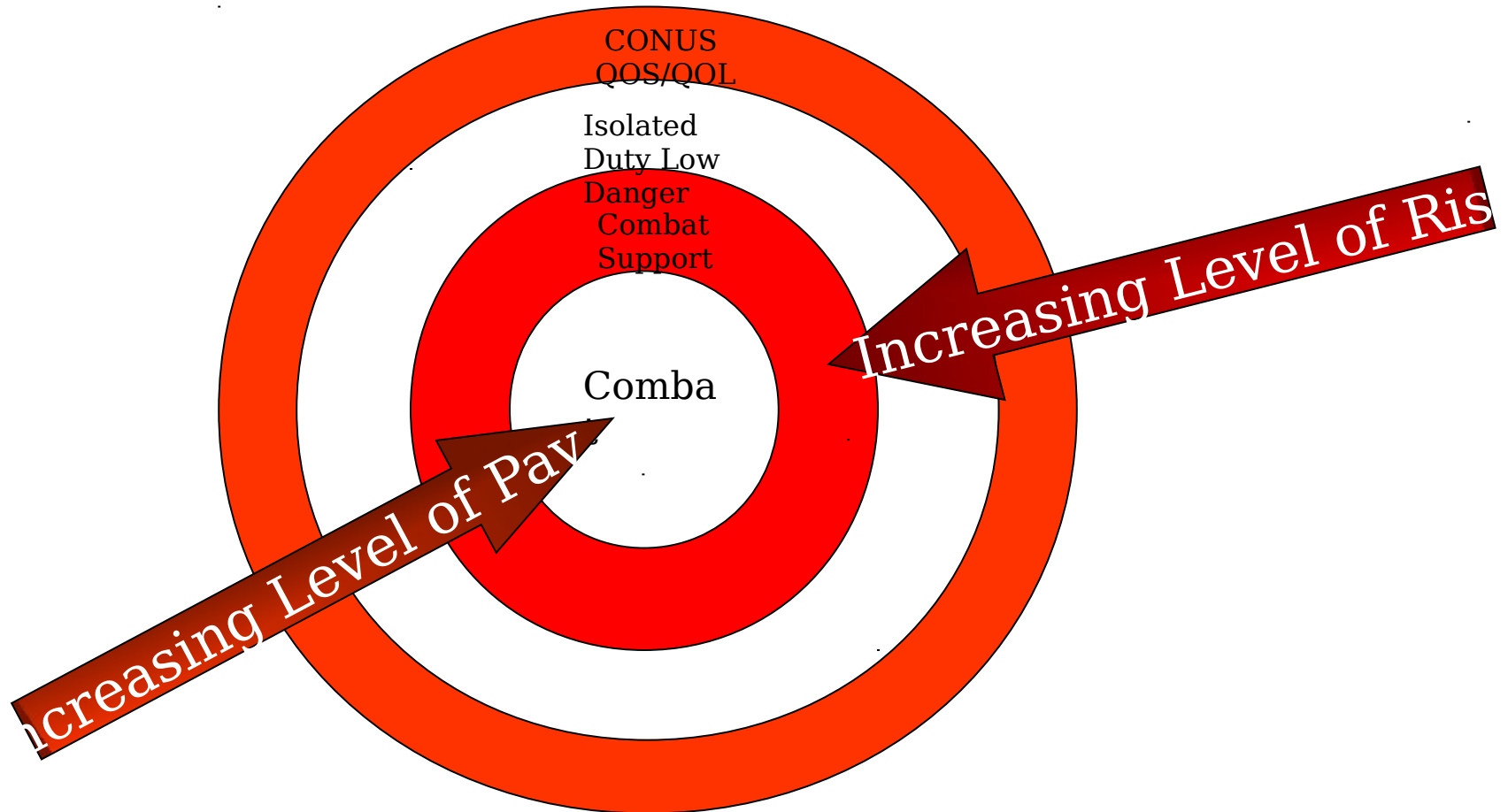
■ The only existing authority that compensates for all factors (danger, family separation, QOL, etc) and meets each of the MOEs is HDP

Range of Possibilities

W/IOEs

- Utilizing HDP authority (e.g. expanding factors in HDP-L) could accomplish the following.
 - Adequate - with increased statutory maximum approval HDP could adequately pay based on all factors associated with arduous tours.
 - Affordable - Consolidating FSA & IDP into HDP may result in cost savings
 - » Removing the overlap that currently exists between HDP and IDP/FSA
 - » Add'l savings may be realized as fewer pays required in pay system
 - Flexible - HDP law is written broadly and therefore very flexible in its possible uses and subsequent adaptations
 - Equitable
 - » Pays all members the same \$ for same conditions
 - » Removes the current inequity for members with and without dependents
 - Simplify
 - » Eliminates 2 pays (FSA & IDP) as they are already factored in one form of HDP (HDP-L).
 - » Eliminate need for add'l pays to effectively compensate warriors

Increasing Risk = Increasing Pay



Recommendation



■ Research feasibility of replacing FSA & IDP with a pay similar to HDP

- Combined effort of CNA and N13
- Graduated scale based on risk, arduousness, separation, extended deployments
- Targeted to significantly arduous duties/locations
- Name change to better capture future scope of the compensation